

111TH CONGRESS  
1ST SESSION

# S. 2826

To amend the Internal Revenue Code of 1986 to extend the renewable production credit for wind and open-loop biomass facilities, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 3, 2009

Mr. GRASSLEY introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the renewable production credit for wind and open-loop biomass facilities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Clean Renewable En-  
5       ergy Advancement Tax Extension Jobs Act of 2009” or  
6       the “CREATE Jobs Act”.

1 **SEC. 2. EXTENSION OF RENEWABLE PRODUCTION CREDIT**  
 2 **FOR WIND AND OPEN-LOOP BIOMASS FACILI-**  
 3 **TIES.**

4 (a) WIND.—Section 45(d)(1) of the Internal Revenue  
 5 Code of 1986 is amended by striking “before January 1,  
 6 2013” and inserting “before January 1, 2017”.

7 (b) OPEN-LOOP BIOMASS.—Section 45(d)(3) of the  
 8 Internal Revenue Code of 1986 is amended by striking  
 9 “before January 1, 2014” both places it appears and in-  
 10 serting “before January 1, 2017”.

11 (c) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to property placed in service after  
 13 the date of the enactment of this Act.

14 **SEC. 3. INCREASED LIMITATION ON ISSUANCE OF NEW**  
 15 **CLEAN RENEWABLE ENERGY BONDS.**

16 (a) ADDITIONAL LIMITATION.—Section 54C(c) of the  
 17 Internal Revenue Code of 1986 is amended by adding at  
 18 the end the following new paragraph:

19 “(5) FURTHER INCREASE IN LIMITATION.—The  
 20 national new clean renewable energy bond limitation  
 21 shall be increased by \$2,200,000,000. Such increase  
 22 shall be allocated by the Secretary consistent with  
 23 the rules of paragraphs (2) and (3).”.

24 (b) NONAPPLICATION OF CERTAIN LABOR STAND-  
 25 ARDS TO FURTHER INCREASE IN LIMITATION.—Section  
 26 1601(1) of the American Recovery and Reinvestment Tax

1 Act of 2009 is amended by inserting “pursuant to section  
2 54C(c)(4) of such Code” after “Act,”.

3 (c) NONAPPLICATION OF CERTAIN ARBITRAGE AND  
4 ISSUANCE RULES.—Section 54C of the Internal Revenue  
5 Code of 1986 is amended by adding at the end the fol-  
6 lowing new subsection:

7 “(e) SPECIAL RULES.—For purposes of this sec-  
8 tion—

9 “(1) LIMITED ARBITRAGE.—Section 54A(d)(4)  
10 shall apply without regard to subparagraph (B) or  
11 (C) thereof.

12 “(2) NO CREDIT STRIPPING.—Section 54A(i)  
13 shall not apply.”.

14 (d) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to bonds issued after the date of  
16 the enactment of this Act.

17 **SEC. 4. ADDITIONAL FIRST-YEAR DEPRECIATION FOR 50**  
18 **PERCENT OF THE BASIS OF CERTAIN QUALI-**  
19 **FIED PROPERTY.**

20 (a) IN GENERAL.—Paragraph (2) of section 168(k)  
21 of the Internal Revenue Code of 1986, as amended by the  
22 American Recovery and Reinvestment Tax Act of 2009,  
23 is amended—

24 (1) by striking “January 1, 2011” and insert-  
25 ing “January 1, 2012”, and

1           (2) by striking “January 1, 2010” each place  
2           it appears and inserting “January 1, 2011”.

3           (b) CONFORMING AMENDMENTS.—

4           (1) The heading for subsection (k) of section  
5           168 of the Internal Revenue Code of 1986, as  
6           amended by the American Recovery and Reinvest-  
7           ment Tax Act of 2009, is amended by striking  
8           “JANUARY 1, 2010” and inserting “JANUARY 1,  
9           2011”.

10          (2) The heading for clause (ii) of section  
11          168(k)(2)(B) of such Code, as so amended, is  
12          amended by striking “PRE-JANUARY 1, 2010” and in-  
13          serting “PRE-JANUARY 1, 2011”.

14          (3) Subparagraph (B) of section 168(l)(5) of  
15          such Code, as so amended, is amended by striking  
16          “January 1, 2010” and inserting “January 1,  
17          2011”.

18          (4) Subparagraph (C) of section 168(n)(2) of  
19          such Code, as so amended, is amended by striking  
20          “January 1, 2010” and inserting “January 1,  
21          2011”.

22          (5) Subparagraph (D) of section 1400L(b)(2)  
23          of such Code is amended by striking “January 1,  
24          2010” and inserting “January 1, 2011”.

1           (6) Subparagraph (B) of section 1400N(d)(3)  
2       of such Code, as so amended, is amended by striking  
3       “January 1, 2010” and inserting “January 1,  
4       2011”.

5       (c) EFFECTIVE DATE.—The amendments made by  
6       this section shall apply to property placed in service after  
7       December 31, 2009.

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